

Abstract

This diploma thesis entitled “*The tax system and agreements on the avoidance of double taxation*” analyses the Czech tax system and international double taxation, both generally and within individual contract models on the avoidance of double taxation. The diploma thesis is divided into three parts on this basis – the parts are dealing with tax system, international double taxation and agreements on the avoidance of double taxation.

The beginning of the first part of this thesis is more theoretical. It contains a brief description of tax and tax system, analyses their basic elements (tax subject, tax object, tax base, tax rate and maturity of taxes) and divides taxes – the main partition is on direct and indirect taxes. This thesis, however, does not omit basic tax functions (fiscal function, allocation, redistribution, stimulation and stabilization) and the basic principles of taxes (legal perfection principle, the principle of tax fairness, tax efficiency principle, the principle of right effect on the behaviour of economic subjects and the principle of clarity of the tax system). The thesis also focuses on budgetary allocation of taxes.

Subsequently, the thesis describes the Czech tax system. The description is based on individual taxes imposed in Czech Republic. These taxes are analysed on the basis of their basic elements and the thesis proposes changes to these taxes *de lege ferenda*. The objective of these changes is to improve the deficiencies of Czech tax system, a slight increase in budgetary income for Czech Republic and to simplify orientation in the tax system for taxpayers.

In the second and third part this thesis deals with double taxation. The second part describes the types of double taxation (national and international double taxation, legal and economic double taxation) and the methods of avoidance of double taxation (credit method and exemption method). The third part of this thesis focuses on agreements on avoidance of double taxation concluded between individual states. It describes two main contract models drawn up by international organisations (OECD and UN) and analyses them together with several agreements on the avoidance of double taxation concluded by Czech Republic. Own draft agreement on the avoidance of double taxation suitable for Czech Republic is attached in the end of this diploma thesis.

Keywords: Czech tax system, international double taxation, agreements on the avoidance of double taxation